

GENERAL ACCOUNT AND CLOSED SESSION MINUTES  
Monday, October 15, 2001

Present were Chair Marie H. Huffman, Vice-Chair W. Steve Ikerd, and Commissioners Katherine W. Barnes, Barbara G. Beatty, and Dan A. Hunsucker.

Also present were County Manager/Deputy Clerk J. Thomas Lundy, Deputy County Manager Steven D. Wyatt, Assistant County Manager Mick W. Berry, County Attorney Robert O. Eades, Staff Attorney Debra Bechtel, and County Clerk Thelda B. Rhoney.

At its meeting on Monday, October 15, 2001, at 7:57 p.m., upon a motion by Commissioner Hunsucker, and unanimously carried, the Board recessed into Closed Session, in accordance with NCGS 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations.

1. **Joint Economic Development Agreement with Corning Cable Systems, LLC for expansion of manufacturing enterprises and industrial and commercial plants.**

Catawba County Economic Development Corporation President Scott Millar was invited into closed session.

County Manager J. Thomas Lundy said he and Mr. Millar met this morning with Mr. Sandy Lyons, President of Corning Corporation. Corning Corporation is experiencing a difficult time financially and expects a \$2 million cash flow problem in 2002. Corning wants to keep its Hickory location open. They have closed the Rocky Mount plant, curtailed the Winston-Salem operation, and the Cabarrus County plant is being temporarily idled. Mr. Lyons described Corning's business as a "V" and they are at the bottom of the "V" and they do not know how long they would be at the bottom. They have 25 percent more business than in 2000 but the industry downturn has created problems for them.

Mr. Millar said Corning believes when the recovery begins it will be quick. He said Corning hopes its business will go back up and will recover strongly by the end of 2002 or early 2003 but could be 2004.

Corning has asked Hickory to forgive the \$1.1 - \$1.2 million in property taxes. The property tax Corning will owe Catawba County is \$800,000. Mr. Lundy said he told Mr. Lyons he saw no way to forgive the \$800,000. The Constitution does not allow waiver of a due tax bill. In addition, Mr. Lundy recognized the state of the County's budget and school needs.

The County held off on the original agreement scheduled during open session in order to consider these changes, potentially a "balloon" repayment which is lesser at first. Corning then would pay more back at the end of the agreement.

Mr. Millar said Corning will soon announce another significant lay-off; this agreement could forestall a following layoff.

Corning has \$600,000 per year of leases in Hickory for consolidated warehouses and they have \$160 million on the tax rolls in Catawba County.

It was the consensus of the Board that other companies in Catawba County such as furniture, manufacturing, retail and suppliers are all having financial difficulties and a lot of plants are closing. Catawba County could not forgive or defer the \$800,000 in property tax. They may support a "balloon" incentive agreement but they would also consider other options for that acceleration. Catawba County, City of Hickory and Catawba County Economic Development Corporation will work jointly to provide the Board of Commissioners with reasonable, workable ideas for approval.

Corning is looking for a response within two to three weeks.

At 8:30 p.m. the Board returned to regular session.

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Thelda B. Rhoney, County Clerk

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Marie H. Huffman, Chair